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EMIN, EINV, VE
SUBJECT: VENEZUELAN SCIENTISTS SAY NUCLEAR ENERGY PROGRAM
POLITICAL HOT AIR

Classified By: Economic Counselor Darnall Steuart for reasons 1.4
(b) and (d).

1. (C) Summary: In late 2008, Chavez once again made statements regarding his plans to develop a nuclear power program in Venezuela and went so far as to sign an agreement with Russia's Rosatom on nuclear energy cooperation. Several local nuclear physicists are skeptical arguing that nothing came of the Venezuelan government's interest in nuclear power in the 70's and nothing will come of it today. The scientists argued the government has demonstrated little interest in domestic nuclear research and the result has been antiquated labs with only a handful of Venezuelan experts in the field. Nevertheless, they did not discount the Chavez Government's willingness to purchase a nuclear power plant lock, stock and barrel from Russia if it could get the financing, although they believe this unlikely given Venezuela's looming economic crisis. End Summary.

RUSSIAN CONSTRUCTION OF NUCLEAR PLANTS UNLIKELY

2. (C) In November 2008, Chavez trumpeted that he had high hopes for a nuclear reactor constructed with Russian technology in the Venezuelan state of Zulia to be called the "Huberto Fernandez Moran Nuclear Complex". On December 2, Econoffs met with three scientists from Venezuela's only fully functional nuclear physics research lab at public University Simon Bolivar (USB). XXXXXXXXXXXX (strictly protect throughout,) noted Chavez' recent statements on nuclear power were reminiscent of those he made in 2005. XXXXXXXXXXXX speculated that if Russia would offer Venezuela enough credit for plant construction, Venezuela would be happy to accept. XXXXXXXXXXXX, who after the meeting identified himself as a Russian-educated scientist of Cuban origin, added that the Russians are fully capable of building adequate plants but they would take five to eight years to complete and would cost billions of dollars. (Note: Although the Director General of Rosatom State Nuclear Energy Corporation signed an agreement to cooperate with Venezuela on nuclear energy on November 26, international press reports on December 8 indicated no Russian loans or credits will be forthcoming for costly nuclear power projects in part due to Venezuela's uncertain financial future. End Note.)

VENEZUELAN GOVERNMENT NOT SERIOUS ABOUT NUCLEAR POWER

3. (C) The second in command at the lab, XXXXXXXXXXXX (strictly protect throughout,) said he has "heard this talk before in the 70's" when the was much more serious about developing a nuclear power program and even went so far as to identify several potential sites for hypothetical reactors. XXXXXXXXXXXX was adamant that "nothing came of it then, and nothing will come of it now." There is only sporadic interest in nuclear power in Venezuela, which, he noted, is rational given that Venezuela is a petroleum rich state.

4. (C) XXXXXXXXXXXX added that behind every nuclear power project is a team of strong scientists. Unfortunately, he said, Venezuelan politicians are not talking to the scientists. He agreed that the current discussion of developing a domestic nuclear energy program in Venezuela is only talk, as there are no serious scientists involved and no project is underway. Even if the government of the Bolivarian Republic of Venezuela (GBRV) were serious, he said, it would take 10 to 15 years to make substantial progress towards developing a nuclear energy program using domestic resources.

5. (C) XXXXXXXXXXXX asserted that his lab at USB has the most domestic expertise and would be the most likely talent pool if the GBRV was in the market for government advisors or program heads. He added that the GBRV had recently approached him about serving as a government advisor on nuclear power, but he had declined citing his workload. XXXXXXXXXXXX said he hopes the government will tap the USB lab at

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some point to spearhead nuclear power research, with the accompanying funding, as he agrees with President Chavez on Venezuela's need to diversify its energy sources. He noted that his scientists are currently collaborating with the National Experimental Politech University of the Bolivarian Armed Forces, UNEFA, on developing a course, as the military seems to have a new interest in giving its cadets a nuclear physics background. (Note: XXXXXXXXXXXX is hopeful this collaboration might translate into more funding for his lab, which currently looks more like a museum than a functioning research center. End Note.)

BARRIERS TO DEVELOPING A NUCLEAR POWER PROGRAM

¶6. (C) The scientists argued that the GBRV's failure to support serious nuclear research has resulted in antiquated labs, restrictive policies that inhibit academic research, and a dearth of experts in the field. They also noted lack of uranium as another limiting factor. In May 2005 when Chavez announced his plans to start a nuclear energy program, media reports at that time indicated that according to government research in the 70's, there might be three substantial uranium deposits in Venezuela. XXXXXXXXXXXX, however, was firm in his assertion that Venezuela has little uranium. His friend, respected Venezuelan geologist, often jokes with him that "yes there is a uranium mine, but no one knows where it is." XXXXXXXXXXXX added that Venezuela has thorium which can be mixed with other radioactive materials and might someday replace uranium in nuclear reactions.

¶7. (C) In addition to a lack of natural resources, XXXXXXXXXXXX said there is also a severe deficiency in "manpower". He claimed that all of the scientists in Venezuela capable of running or even assisting with a nuclear power program were in the room. (Three scientists were present). He said he knew perhaps 130 former students that had the academic credentials, but almost all of them were "either selling shoes or building shopping malls." He said the USB lab is now focusing more on health diagnostics as there is a commercial interest in such research.

¶8. (C) XXXXXXXXXXXX also implied he was not impressed with the quality of the government's staff in the sector. XXXXXXXXXXXX is his former student. XXXXXXXXXXXX. While the Directorate has its own lab, XXXXXXXXXXXX said he has personally verified that none of its equipment works. He noted that the Directorate is a purely bureaucratic operation where scientists do not conduct research but rather attend numerous conferences abroad. When work needs done, the Directorate will occasionally bring in experts and contract out research projects. As an additional example of the government's failures in the sector, he cited Venezuela's sole, and now defunct, reactor at the GBRV's Venezuelan Institute for Scientific Research (IVIC). USB, he said, carried off pieces of the 1950's era reactor several years ago for student experiments.

¶9. (C) XXXXXXXXXXXX finished his list of serious challenges facing the development of a Venezuelan nuclear power program by complaining about his inability to get permission from the USG to obtain equipment or even data from the US. He said the Venezuelan government is even more difficult to work with as it will not give him licenses to import any radioactive material. XXXXXXXXXXXX has consequently taken to bringing in undeclared material in his pocket. He stated he flew in with a "source" from California in this manner even though the University warned him he could end up in jail. He ignored the warning saying the Venezuelan government does not seem to be particularly interested in the fact that all of the radioactive material in the USB lab is currently illegal under Venezuelan law. XXXXXXXXXXXX added that anything students or professors do with the radioactive material is also illegal. After 20 years of his best efforts, XXXXXXXXXXXX has yet to get GBRV approval for radioactive material handling regulations he wrote himself based on manuals he obtained from the Imperial College of London and a US university. In another "illegal" practice, XXXXXXXXXXXX said that his scientists regularly go scavenging for radium from old Venezuelan hospitals that they store on the USB campus.

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COMMENT

¶10. (C) In spite of Chavez' grand public statements, the academic community believes the GBRV continues to demonstrate that it is uninterested in, or unable to develop a domestic nuclear energy program. It has instead hamstrung the efforts of the handful of its scientists with an interest in the area. Scientists seem inclined to agree with a member of Argentina's National Atomic Energy Commission who in 2005 was quoted as saying "on a scale of zero to five, nuclear power development within Venezuela does not reach one. It is not only behind Brazil and Argentina, it is also behind Chile, Mexico and Peru." Nevertheless, the USB scientists seemed confident that if Venezuela one day finds a country willing to sell its technology on credit, however unlikely given Venezuela's looming financial trouble, the GBRV would be more than willing to buy. Regardless of whether or not nuclear power plants make sense in a petroleum rich country, high profile projects that give the rest of the world cause for concern hold a certain appeal for Chavez.

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